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Firefighters' Retirement System \$25 million to settle a complaint alleging that it was defrauded by a former portfolio manager, The (New Orleans) Times-Picayune reported April 26.

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Birmingham, Ala.-based Regions Financial Corp. has agreed to pay the Louisiana Firefighters' Retirement System \$25 million to settle a complaint alleging that it was defrauded by a former portfolio manager, The (New Orleans) Times-Picayune reported April 26.

Pension officials from Louisiana had claimed in a complaint filed in 2008 that James Kelsoe Jr. – a former Memphis, Tenn.-based Morgan Keegan & Co. Inc. portfolio manager – failed to explain an investment plan that lost nearly \$50 million during the financial crisis, the publication said. The investment plan reportedly invested in a mutual fund loaded with subprime mortgages.

The pension fund officials' complaint, which sought to recover about \$50 million, also argued that Kelsoe was not forthright about the value of assets in the mutual fund, according to the report.

Christopher Burke, Regions Financial's senior vice president based in Baton Rouge, La., and Morgan Asset Management Inc., Morgan Keegan's asset management subsidiary, were also named as defendants in the lawsuit, The Times-Picayune said.

The settlement, which was reached in December 2012, also threw out that litigation, with none of the defendants admitting wrongdoing, the report said, citing a copy of the agreement.

In a 2011 administrative proceeding, the SEC found that Kelsoe had instructed Morgan Keegan's accounting department to make arbitrary "price adjustments" to

the values of some securities in the fund's portfolio – rather than listing them at fair

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